

## CITY GROWTH AND RESOURCES COMMITTEE

ABERDEEN, 3 February 2022. Minute of Meeting of the CITY GROWTH AND RESOURCES COMMITTEE. Present:- Councillor Houghton, Convener; Councillor Laing, Vice-Convener; and Councillors Grant, Boulton, Cooke, McLellan, MacKenzie, Alex Nicoll and Yuill.

The agenda and reports associated with this minute can be found [here](#).

Please note that if any changes are made to this minute at the point of approval, these will be outlined in the subsequent minute and this document will not be retrospectively altered.

### DETERMINATION OF EXEMPT BUSINESS

1. The Convener proposed that the Committee consider items 14.1 (Aberdeen Hydrogen Hub Strategic Partnership - Contract Award/Approval of Joint Venture - Exempt Appendices, 14.2 (Community Asset Transfer Requests Received for the Tillydrone Community Centre - Exempt Appendix), 14.3 (Disposal of the Former Braeside School and Lodge Site - Exempt Appendix) and 14.4 (Disposal of the Former Cordyce School Site - Exempt Appendix), with the press and public excluded from the meeting.

#### **The Committee resolved:-**

in terms of Section 50A(4) of the Local Government (Scotland) Act 1973, to exclude the press and public from the meeting during consideration of the above items so as to avoid disclosure of information of the classes described in the following paragraphs of Schedule 7(A) to the Act:- article 15 (paragraphs 6, 8 and 9), articles 16 and 17 (paragraphs 6 and 9) and article 18 (paragraph 9).

### DECLARATIONS OF INTEREST

2. Members were requested to intimate any declarations of interest or transparency statements in respect of the items on the agenda today, however none were intimated.

### MINUTES OF PREVIOUS MEETINGS OF 10 AND 12 NOVEMBER 2021 - FOR APPROVAL

3. The Committee had before it the minutes of its previous meetings of 10 and 12 November 2021, for approval.

#### **The Committee resolved:-**

to approve the minutes as correct records.

## CITY GROWTH AND RESOURCES COMMITTEE

3 February 2022

### COMMITTEE PLANNER

4. The Committee had before it the Committee Business Planner prepared by the Chief Officer – Governance.

#### **The Committee resolved:-**

- (i) to remove item 5 (Procurement Workplan and Business Cases – Capital) from the planner for the reason outlined therein;
- (ii) to transfer item 10 (Aberdeen International Market Progress), item 16 (Public Realm Improvements – Progress), item 17 (Beachfront Projects), item 18 (Joint Integrated Mortuary Project), item 32 (City Centre and Beach - Transport Management Plan Progress), item 33 (George Street and Former John Lewis Building), item 34 (Queen Street Development), item 35 (Beachfront Projects), item 53 (City Centre Design Development - Business Case) to the Council Business Planner, for the reasons outlined therein;
- (iii) to note the reasons for the reporting delay in relation to item 4 (Local Authority Bus Services/Controlled Bus Companies), item 6 (City Centre Multi Storey Blocks – Option Appraisal), item 7 (Developer Obligations - Asset Plans), item 9 (Sustainable Drainage System (SUDS) Section 7), item 12 (Prosperity Fund), item 14 (Freeport/Greenport update) and item 15 (Aberdeen Community Wealth Building); and
- (iv) to otherwise note the content of the Committee Planner.

### COUNCIL FINANCIAL PERFORMANCE - QUARTER 3, 2021/22 - RES/22/037

5. The Committee had before it a report by the Director of Resources which provided the financial position of the Council as at Quarter 3 (31 December 2021) and the full year forecast position for the financial year 2021/22, including:-

- General Fund and Housing Revenue Account (HRA) and capital accounts; and associated Balance Sheet; and
- Common Good revenue account and Balance Sheet.

#### **The report recommended:-**

that the Committee –

- (a) note the positive cash position that has been achieved for the General Fund and HRA to the end of Quarter 3 as detailed in Appendix 1;
- (b) note the Common Good financial performance to the end of Quarter 3 as detailed in Appendix 3;
- (c) note that the General Fund full year forecast position, as detailed in Appendix 2, has improved compared to the forecast at Quarter 2 and it is still expected to show a balanced position overall for 2021/22 through the mitigations contained within the report;

## CITY GROWTH AND RESOURCES COMMITTEE

3 February 2022

- (d) instruct the Chief Officer – Finance, where possible, to include in the Annual Accounts and Quarter 4 report a suitable sum from any unused contingency budget to fund additional works in 2022/23 that are still required following Storm Arwen;
- (e) note that the HRA full year forecast position, as detailed in Appendix 2, is on target to achieve the approved budget, making a contribution to HRA reserves for 2021/22;
- (f) note that the forecast for General Fund capital expenditure is that there will be lower spend than has been profiled for 2021/22, and for Housing capital expenditure this will be on budget, as described in Appendix 2; and
- (g) note that the council and the IJB continues to rely on Ministerial commitment to fund all of the identified mobilisation costs.

### **The Committee resolved:-**

- (i) to approve recommendations (a), (b), (c), (e), (f) and (g); and
- (ii) to instruct the Chief Officer – Finance, in consultation with the Chief Officer – Operations and Protective Services, to quantify and immediately set aside a sum from the General Fund Contingency budget, for the Council to deal with the storm damage caused by Storms Arwen, Malik and Corrie, and instruct the Chief Officer – Finance to (1) at the financial year end, to earmark in the General Fund Reserve any unused portion of that sum to enable the work to continue next financial year; and (2) pursue any Scottish Government or external funding that may become available to assist Local Authorities with the additional pressures brought on them by the storms.

### **CREDIT RATING ANNUAL REVIEW - RES/22/043**

6. The Committee had before it a report by the Director of Resources, which provided an overview of the recent credit rating annual review and reported the outcome of the review.

#### **The report recommended:-**

that the Committee note the outcome of the annual review was affirmation of the A1 rating, with an economic outlook of 'stable', in line with the recent changes to the UK's rating.

#### **The Committee resolved:-**

to approve the recommendation.

### **CHANONRY GROUNDS PLAQUE - COM/22/012**

7. The Committee had before it a report by the Director of Commissioning, which sought approval for the erection of a plaque commemorating Chanonry Grounds, home ground of the Aberdeen Association Football Club from 1888 to 1898.

## CITY GROWTH AND RESOURCES COMMITTEE

3 February 2022

**The report recommended:-**

that the Committee approve the erection of a plaque commemorating Chanonry Grounds, home ground of the Aberdeen Association Football Club from 1888 to 1898, at its location within the current Cruikshank Botanic Garden, University of Aberdeen.

**The Committee resolved:-**

to approve the recommendation.

### PERFORMANCE MANAGEMENT FRAMEWORK REPORT - CITY GROWTH AND RESOURCES FUNCTIONS - CUS/22/007

8. The Committee had before it a report by the Director of Customer Service which presented the status of key performance measures relating to City Growth and Resources function activities.

**The report recommended:-**

that the Committee note the report and the performance information contained within the Appendix.

**The Committee resolved:-**

to approve the recommendation.

### ELLON PARK & RIDE TO GARTHDEE TRANSPORT CORRIDOR STUDY (BUS PARTNERSHIP FUND) - COM/22/017

9. With reference to article 11 of the minute of meeting of 25 August 2021, the Committee had before it a report by the Director of Commissioning, which provided details of the outcomes of the Ellon Park and Ride to Garthdee Transport Corridor study (part of the Bus Partnership Fund programme) and sought approval to further progress the project to an Outline Business Case.

**The report recommended:-**

that the Committee –

- (a) agree the outcomes of the study have merit in contributing to a cohesive transport network on the corridor;
- (b) agree that work to further develop the options package measures outlined in Table 1 below be progressed to an Outline Business Case and instruct the Chief Officer – Strategic Place Planning to develop the Outline Business Case in accordance with the Transport Scotland governance decisions on the gateways for the Bus Partnership Fund; and
- (c) instruct the Chief Officer - Strategic Place Planning to report back to this Committee with the Outline Business case and next steps by December 2023.

**CITY GROWTH AND RESOURCES COMMITTEE**

3 February 2022

**The Committee resolved:-**

to approve the recommendations.

**BUS PARTNERSHIP FUND UPDATE - COM/22/018**

**10.** With reference to article 18 of the minute of meeting of 10 November 2021, the Committee had before it a report by the Director of Commissioning, which provided details on the progress of the delivery of the Bus Partnership Fund grant projects.

**The report recommended:-**

that the Committee –

- (a) note the progress of the delivery of this grant;
- (b) note that officers will continue to work with partners to deliver the projects in accordance with the grant conditions; and
- (c) instruct the Chief Officer - Strategic Place Planning, given the long term nature of the project, to bring back update reports on a quarterly basis.

**The Committee resolved:-**

to approve the recommendations.

**ABERDEEN HYDROGEN HUB STRATEGIC PARTNERSHIP - CONTRACT AWARD/APPROVAL OF JOINT VENTURE - COM/22/031**

**11.** With reference to article 4 of the minute of meeting of the Urgent Business Committee of 25 October 2021, the Committee had before it a report by the Director of Commissioning which (1) sought a range of approvals with the objective of Aberdeen City Council entering into a Joint Venture with BP International Limited (“bp”) to deliver the Aberdeen Hydrogen Hub (“AHH”) Strategic Partnership (the “Project”); and (2) provided details on the proposed Joint Venture structure, governance, obligations, associated risks and the return on investment expected to the Council through participation in the Joint Venture.

**The report recommended:-**

that the Committee –

**Contract Award / Approval of Joint Venture**

- (a) subject to compliance with subsidy control legislation, an ongoing analysis of which is currently being undertaken, to approve the appointment of BP International Limited (“bp”) as Joint Venture partner to deliver the Aberdeen Hydrogen Hub Strategic Partnership following a public procurement procedure, and subject to the budget approval in (d);
- (b) authorise the Head of Commercial and Procurement to conclude and sign the Legal Agreements (as detailed in Appendix D) with bp, and to negotiate and agree any

## CITY GROWTH AND RESOURCES COMMITTEE

3 February 2022

changes to them he considers to be necessary or desirable, subject to the budget approval in (d);

- (c) authorise the Head of Commercial and Procurement to undertake or instruct any other actions, and the entering into of any other contracts and/or documentation, that he considers to be necessary or desirable in connection with the setting up and operation of the Joint Venture;

### Finance

- (d) to approve the Business Case for the Strategic Partnership included at Appendix B, and notes the Council's share of the estimated capital investment in the Joint Venture relating to Phase 1 of the AHH, and the seed funding investment to support the delivery of community benefits, supply chain development and training and skills and refers this to the Council's budget process;
- (e) to authorise the Head of Commercial and Procurement to spend up to £160k in 2021/22 in support of Recommendation (c), to be funded from the underspend on the 2021/22 General Fund Capital Programme;

### Governance

- (f) to note the Joint Venture structure in Appendix D and approve the proposed name of the separate legal entity to be incorporated and registered with Companies House;
- (g) to note the summary of obligations of the Council in relation to the Joint Venture in Appendix D;
- (h) to note the summary of the key provisions of the Joint Venture Legal Agreements in Appendix D in relation to Council Shareholder approvals and delegates authority to the Director of Resources to discharge the Shareholder Reserved Matters stated in Appendix D on behalf of the Council;
- (i) to note that the Shareholder Reserved Matters not included in the Recommendation (h) above, that would require to be referred back to Committee for a decision include:-
  - (1) changing the share capital and distributions;
  - (2) changes outside normal course of JVCo business;
  - (3) funding approval for Projects not already included in the Council budget;
  - (4) winding up the JVco;
- (j) to note the key provisions of the Joint Venture Legal Agreements in Appendix D in relation to Council Director approvals and approves the appointment of the Director of Resources, and the Director of Commissioning as Directors of the JVCo to undertake the Director functions stated in Appendix D;
- (k) to note that the Council's investment in JVCo expected to commence in 2021/22 will be incorporated into the Council's Group Accounts and subject to the statutory Annual Accounts and Audit process;
- (l) to instruct the Director of Resources and Director of Commissioning to continue discussions with Aberdeen Heat and Power regarding future opportunities for integrating hydrogen into District Heating and report the outcomes to a future meeting of this Committee; and

### Site Selection

**CITY GROWTH AND RESOURCES COMMITTEE**

3 February 2022

- (m) to note in principle the proposed sites in Appendix E (together with the associated planning risks) for the solar park array and the hydrogen production and refuelling facility and instructs the Chief Officer City Growth, in consultation with the Chief Officer Corporate Landlord to provide an update on Site Selection and any associated commercial terms at the next meeting of this Committee.

The Convener, seconded by Councillor Mackenzie moved:-  
that the Committee –

- (1) approve the recommendations contained within the report, subject to the following changes to:-
  - (b) authorise the Chief Officer - Governance following consultation with the Head of Commercial and Procurement to conclude and sign the Legal Agreements (as detailed in Appendix D) with bp, and to negotiate and agree any changes to them they consider to be necessary or desirable, subject to the budget approval in (d); and
  - (c) authorise the Head of Commercial and Procurement following consultation with the Chief Officer - Governance to undertake or instruct any other actions, and the entering into of any other contracts and/or documentation, that they consider to be necessary or desirable in connection with the setting up and operation of the Joint Venture; and
- (2) agree the Scottish Government have reneged on their commitment to set up a Scottish Energy Company, notes that at the Aberdeen City Council Budget meeting in 2016 the Administration brought forward proposals for the creation of a council owned Energy Company and that this was not progressed because of the Scottish Government's commitment to create a Scottish Energy Company. Agrees that hard working Aberdeen citizens are now suffering fuel poverty following the Scottish Government's failure to establish a Scottish Energy Company.

Councillor Nicoll, seconded by Councillor Cooke moved as an amendment:-  
that the Committee approve the recommendations contained within the report.

Councillor Yuill moved a further amendment as follows:-  
that the Committee approve the recommendations contained within the report, subject to the following changes to:-

- (b) authorise the Chief Officer - Governance following consultation with the Head of Commercial and Procurement to conclude and sign the Legal Agreements (as detailed in Appendix D) with bp, and to negotiate and agree any changes to them they consider to be necessary or desirable, subject to the budget approval in (d); and
- (c) authorise the Head of Commercial and Procurement following consultation with the Chief Officer - Governance to undertake or instruct any other actions, and the entering into of any other contracts and/or documentation, that they consider to be necessary or desirable in connection with the setting up and operation of the Joint Venture.

**CITY GROWTH AND RESOURCES COMMITTEE**

3 February 2022

Council Yuill did not have a seconder, therefore in terms of Standing Order 29.12, his amendment fell.

On a division, there voted:- for the motion (5) – the Convener, the Vice Convener and Councillors Boulton, Grant and Mackenzie; - for the amendment by Councillor Nicoll (4) – Councillors Cooke, McLellan, Nicoll and Yuill.

**The Committee resolved:-**

to adopt the motion.

**COMMUNITY ASSET TRANSFER REQUESTS RECEIVED FOR THE TILLYDRONE COMMUNITY CENTRE - RES/22/027**

**12.** The Committee had before it a report by the Director of Resources which provided information in relation to asset transfer requests received for the Tillydrone Community Centre.

**The report recommended:-**

that the Committee –

- (a) note the three community asset transfer requests submitted for the Tillydrone Community Centre;
- (b) accept the recommendation as outlined in Appendix 1 to progress the asset transfer request; and
- (c) instruct the Chief Officer – Governance to conclude missives for the transfer of the property incorporating various terms and conditions as are necessary to protect the Council's interest, together with any other matters as are required to complete the transaction.

The Convener, seconded by Councillor Mackenzie moved:-

that the Committee approve the recommendations contained within the report.

Councillor Nicoll, seconded by Councillor Yuill, moved as an amendment:-

that the Committee –

- (1) approve recommendation (a); and
- (2) reject all current offers and readvertise the property for a community asset transfer and instruct the Chief Officer – Corporate Landlord to set a closing date for revised offers and report back to the next meeting of the Committee.

On a division, there voted:- for the motion (5) – the Convener, the Vice Convener and Councillors Boulton, Grant and Mackenzie; for the amendment (4) – Councillors Cooke, McLellan, Nicoll and Yuill.

**The Committee resolved:-**

**CITY GROWTH AND RESOURCES COMMITTEE**

3 February 2022

to adopt the motion.

**DISPOSAL OF THE FORMER BRAESIDE SCHOOL AND LODGE SITE - RES/22/014**

13. The Committee had before it a report by the Director of Resources which provided details in relation to the offers received for the site of the Former Braeside School and Lodge following the outcome of the recent marketing exercise.

**The report recommended:-**

that the Committee –

- (a) accept the recommended offer to purchase the site as outlined in Appendix 2; and
- (b) instruct the Chief Officer – Governance to conclude missives for the disposal of the property incorporating various qualifications as are necessary to protect the Council's interest, together with any other matters as are required to complete the transaction.

**The Committee resolved:-**

to approve the recommendations.

**DISPOSAL OF THE FORMER CORDYCE SCHOOL SITE - RES/22/013**

14. The Committee had before it a report by the Director of Resources which provided details in relation to the offers received for the site of the former Cordyce School following the outcome of the recent marketing exercise.

**The report recommended:-**

that the Committee –

- (a) accept the recommended offer to purchase the site as outlined in Appendix 2; and
- (b) instruct the Chief Officer – Governance to conclude missives for the disposal of the property incorporating various qualifications as are necessary to protect the Council's interest, together with any other matters as are required to complete the transaction.

**The Committee resolved:-**

to approve the recommendations.

**In accordance with the decision recorded under article 1 of this minute, the following items of business were considered with the press and public excluded.**

**CITY GROWTH AND RESOURCES COMMITTEE**

3 February 2022

**ABERDEEN HYDROGEN HUB STRATEGIC PARTNERSHIP - CONTRACT AWARD/APPROVAL OF JOINT VENTURE - EXEMPT APPENDICES**

15. The Committee had before it exempt appendices relating to the Aberdeen Hydrogen Hub Strategic Partnership - Contract Award/Approval of Joint venture report. (Article 11 of this minute refers)

**The Committee resolved:-**

to note the information contained within the exempt appendices.

**COMMUNITY ASSET TRANSFER REQUESTS RECEIVED FOR THE TILLYDRONE COMMUNITY CENTRE - EXEMPT APPENDIX**

16. The Committee had before it an exempt appendix relating to the Community Asset Transfer Requests Received for the Tillydrone Community Centre report. (Article 12 of this minute refers)

**The Committee resolved:-**

to note the information contained within the exempt appendix.

**DISPOSAL OF THE FORMER BRAESIDE SCHOOL AND LODGE SITE - EXEMPT APPENDIX**

17. The Committee had before it an exempt appendix relating to the Disposal of the Former Braeside School and Lodge Site report. (Article 13 of this minute refers)

**The Committee resolved:-**

to note the information contained within the exempt appendix.

**DISPOSAL OF THE FORMER CORDYCE SCHOOL SITE - EXEMPT APPENDIX**

18. The Committee had before it an exempt appendix relating to the Disposal of the Former Cordyce School Site report. (Article 14 of this minute refers)

**The Committee resolved:-**

to note the information contained within the exempt appendix.

- **COUNCILLOR RYAN HOUGHTON, Convener**